



January 9, 2007

The Honorable Bob Goodlatte
United States House of Representatives
Washington, DC 20515

Dear Representative Goodlatte:

On behalf of the 350,000 members of the National Taxpayers Union (NTU), I write to endorse the Tax Code Termination Act. By requiring a “sunset” of almost the entire existing Internal Revenue Code on December 31, 2010, your bill would induce Congress to finally address the need for fundamental tax reform.

Very few Americans would argue that our Tax Code is in good shape. Taxpayers dread April 15 because of the stress caused by filling out complicated filing schedules, and elected officials routinely blast the unpopular system. While incremental changes are sometimes passed, more than twenty years have come and gone since Congress truly streamlined the federal tax laws. Americans are tired of waiting on unfulfilled promises of action.

By eventually cutting off the streams of revenue that now flow into Washington, your bill would require Congress to either deal with tax reform or risk the political consequences of failing to do so. Because sunseting the Tax Code won’t necessarily engender a better system, you’ve also provided guidance on what basic principles should guide any replacement. These include applying a simple and low rate to all taxpayers, providing tax relief for working Americans, protecting the rights of taxpayers and reducing tax collection abuses, eliminating the bias against savings and investments, promoting economic growth and job creation, and not financially penalizing marriage or families. Taken together these guidelines would form a far superior alternative to the labyrinth of laws currently in place, and NTU is committed to making this vision a reality.

As we witnessed in the final days of the 109th Congress, political wrangling can often leave critical legislation unaddressed until the last possible moment. The late passage of the “tax extenders” package is expected to cost the Internal Revenue Service a minimum of \$1.9 million to complete last-minute updates to the filing system. Because the IRS requires ample lead time to print new forms, update computers, and train employees on new rules, your bill stipulates that Congress must approve a finalized replacement system no later than July 4, 2010. This built-in transition period will also help provide taxpayers with the information they need to plan ahead.

We look forward to working with you to pass this important piece of legislation. Roll call votes on the Tax Code Termination Act will be heavily weighted in NTU’s annual Rating of Congress.

Sincerely,

Kristina Rasmussen
Senior Government Affairs Manager